

Message Text

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ORIGIN EA-10

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TREASURY

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NKP

CINCPAC HONOLULU HI

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JANUARY 2 EA PRESS SUMMARY

1. INDOCHINA

MIL COMMAND ANNOUNCED THAT NVA OVERRAN PHUOC BINH, 75 MILES NORTH OF SAIGON; DISTRICT TOWN IS FOURTH TO FALL IN ISOLATED PHUOC LONG PROVINCE. MIL ANALYSTS SAW BATTLE AS FORETASTE OF EVEN FIERCER FIGHTING PREDICTED FOR FIRST HALF OF 1975. GVN COMMAND REPORTED IT HAD SUFFERED UNCLASSIFIED

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27,355 KIA, 110,777 WIA, AND 15,084 MIA SINCE C-F; CLAIMED 104,670 NVA AND VC KIA, BUT ANALYSTS SAY THIS IS PROBABLY INFLATED (SAIGON AP, GLOBE 1/1). UPI SAIGON NOTES THAT 1974 MARKED FIRST YEAR IN AT LEAST 16 IN

WHICH NO AMERICAN WAS KILLED IN COMBAT IN SVN. QUOTES GVN NEW YEAR'S EVE COMMUNIQUE PREDICTION OF MORE FIGHTING NEXT YEAR AND THREAT OF "APPROPRIATE MEASURES" TO PROTECT ITS TERRITORY (CHITRIB 1/1).

COMMUNIST-LED FORCES USHERED IN NEW YEAR WITH SLASHING ATTACKS THAT OVERRAN OVER DOZEN POSTS IN SVN AND CAMBODIA. ATTACKS PRESAGE POSSIBLY MORE INTENSE FIGHTING IN CAMPAIGN THAT ANALYSTS SAY IS AIMED AT ERODING GVN AND GKR MIL AND ECON CAPABILITIES IN EFFORTS TO GAIN POLITICAL CONCESSIONS FOR COMMUNISTS. IN SVN, "REGIONALIZED" OFFENSIVE IS NEARING END OF FOURTH WEEK;

IN CAMBODIA INSURGENTS ARE BELIEVED STARTING FIRST PHASE OF DRY-SEASON OFFENSIVE AGAINST PP (AP, SUN). MIL SOURCES SAY COMMUNIST TROOPS BACKED BY TANKS OVERRAN THREE POSITIONS OUTSIDE PHUOC LONG PROVINCIAL CAPITAL IN DRIVE THAT COULD THREATEN NORTHERN APPROACHES TO SAIGON (REUTER, WP).

KEENE (GLOBE 1/1) DOES HUMAN-INTEREST ARTICLE ON ROLE OF TWO MY FRIEND'S HOUSE NUTRITIONAL CENTERS IN SAIGON THAT HELP ORPHANED OR ABANDONED CHILDREN, AND ALSO WORK IN OVERSEAS ADOPTION. ARTICLE IS IN CONNECTION WITH FUND-RAISING VISIT OF US NURSE WHO WORKS IN CENTERS.

CDN'S CRITTENDEN (12/28-29) REVIEWS TROUBLED HISTORY OF RELEASE OF CONTROVERSIAL DOCUMENTARY "HEARTS AND MINDS," CALLS IT "MOST IMPORTANT AND COMPREHENSIVE POLITICAL FILM I'VE EVER SEEN." DESCRIBES SCENES FROM MOVIE, SAYS IT HAS MUCH GREATER SCOPE THAN BLAME-PLACING SINCE IT EDUCATES US TO WAY AMERICANS WERE CONVINCED THAT THEY SHOULD TAKE RESPONSIBILITY FOR OTHER PEOPLE'S DESTINIES; AND HE SEES ROOTS OF INVOLVEMENT IN HYSTERICAL ANTI-COMMUNISM OF EARLY 50S. BELIEVES FROM AUDIENCE REACTION AT FEW SELECTED SCREENINGS SO FAR THAT FILM WOULD HAVE WIDE APPEAL.
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REUTER (NYT, WP) REPORTS SERIES OF ATTACKS ON PP OUTSKIRTS SENDS THOUSANDS OF REFUGEES FLEEING INTO CITY. GKR SETS UP NEW DEFENSE PERIMETER IN EFFORT TO HALT DRIVE INTO CITY. MIL SOURCES SAY OUTPOSTS ALONG EAST MEKONG BANK FELL; MIL COMMAND HAS ONLY SKETCHY DETAILS OF RECENT FIGHTING BUT SAID GKR FORCES ARE COUNTERATTACKING ON ALL THREATENED FRONTS. REBEL ROCKETS AND MORTARS SET FIRE TO POL DEPOT NORTH OF PP, AND TWO ROCKETS STRIKE CITY'S CENTER WITHOUT REPORTED CASUALTIES. IN NEW YEAR'S DAY MESSAGE BROADCAST BY HSINHUA, KHIEU SAMPHAN CALLED ON INSURGENTS TO "LAUNCH THE MOST POWERFUL OFFENSIVE AGAINST THE ENEMY" (AP, WP).

LAOTIAN DEFMIN ANNOUNCES WITHDRAWAL OF PL TROOPS WHO HAD CROSSED C-F LINE AND ENTERED BAN HOUAYXAY (SIC) TO SIDE WITH REBELS. SAYS SITUATION NOW NORMAL AND LAOTIAN AF HAD RESUMED FLIGHTS TO TOWN (AP, NYT).

2. CHINA

NCNA YEAR-END COMMENTARY MAINTAINS US-SOVIET DETENTE REACHED IMPASSE IN 1974, AND "SUPERPOWERS" CONTENTION "FOR SPHERES OF INFLUENCE AND WORLD DOMINATION BECAME EVEN FIERCER." ASSERTS "SUPERPOWERS...LOUDLY CHANTED

THE 'HYMN OF PEACE' TO COVER UP THE TRUE NATURE OF THEIR RIVALRY" FOR FLANK OF EUROPE AND CONTROL OF EUROPEAN DEVELOPMENTS (AP NYDN, SUN).

CSM'S SOUTHERLAND, IN HK, SAYS EXPERTS THERE CONSIDER CHINA'S NEWLY-ANNOUNCED USE OF CHINESE-DESIGNED AND BUILT RIG TO DRILL DEEPWATER OIL WELL IS SIGNIFICANT DEVELOPMENT. BUT IN ANNOUNCING IT, PRC DID NOT RELEASE ENOUGH DETAILS FOR EXPERTS TO GO BEYOND PRELIMINARY POSITIVE ASSESSMENT. SOUTHERLAND SUGGESTS THAT ANNOUNCEMENT OF SUCCESSFUL DRILLING OPERATION SEEMS TO CAST DOUBT ON CONVENTIONAL WISDOM THAT PRC WOULD BE INCAPABLE OF DOING ANY SERIOUS DEEPWATER DRILLING WITHOUT FOREIGN ASSISTANCE.

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MALTA PREMIER MINTOFF SAYS PEKING HAS GIVEN VALETTA FINANCIAL HELP FOR 250 MILLION DOLLAR PROJECT TO MAKE COUNTRY MEDITERRANEAN'S MAJOR SHIP-REPAIR CENTER. NEW DOCK FOR 300,000-TON TANKERS IS BEING BUILT WITH 40 MILLION INTEREST-FREE CHINA LOAN, AND PROJECT ALSO CALLS FOR CONSTRUCTION OF 188 MILLION DOLLAR SHIPYARD THAT WOULD BE LARGEST OF ITS KIND IN MEDITERRANEAN (WP).

UPI (PAPEETE) SAYS TAHITI AUTHORITIES HAVE FOUND SOS MESSAGE IN BOTTLE DISCLOSING MUTINY ABOARD TAIWAN FISHING TRAWLER REPORTED LOST AT SEA SINCE DEC 19. ON DEC 26, SEVEN CREWMEN OF TRAWLER WERE RESCUED ON MANIHI WHERE THEY SAID THEY LANDED AFTER DRIFTING AT SEA FOUR DAYS; THEY WOULD NOT COMMENT ON SOS MESSAGE.

3. JAPAN

JOC'S CULLISON IN TOKYO SAYS JAPAN'S STEEL INDUSTRY WILL BE FREE TO EXPORT TO US MARKET WITHOUT RESTRICTION IN 1975, BECAUSE US HAS NOT ASKED FOR EXTENSION OF VOLUNTARY RESTRAINTS ADOPTED IN 1969. CITES MITI SOURCE SAYING AMERICAN STEEL EXECS DO NOT SEEM TO FEAR SUDDEN

FLOOD OF IMPORTS, BUT NOTES THAT SOME EXPERTS IN JAPAN PREDICT DUMPING IN MONTHS AHEAD BECAUSE OF FALLING PRICES AND GROWING INVENTORIES.

CULLISON ALSO REVIEWS APPEAL TO PEOPLE BY NEW RESOURCES AND ENERGY ECONOMY HQ TO CUT ENERGY USE BY UP TO 10 PERCENT. INDUSTRY ASKED TO DO SAME EARLIER, AND REPORT RESULTS TO MITI, WHERE ONE SOURCE SAYS DATA MAY BE USED TO DRAFT SEMI-MANDATORY PROGRAM IF VOLUNTARY CONSERVATION FAILS.

UPI TOKYO (NYT) REPORTS 23 HOLIDAY SKIERS DROWNED NEW YEAR'S DAY WHEN RESORT BUS PLUNGED OFF WINDING ROAD INTO LAKE IN MOUNTAINS NW OF TOKYO.

AS HAVE OTHERS RECENTLY, CHITRIB'S YATES IN TOKYO (JAN 1) DESCRIBES PLIGHT OF BURAKUMIN WHO, IGNORED BY LDP, TURN TO JSP AND JCP FOR REDRESS OF GRIEVANCES. UNCLASSIFIED

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SAYS SOME MILITANTS FORMED BURAKUMIN LIBERATION LEAGUE, BUT MOST DISAVOW ITS VIOLENCE, INSTEAD LOOK TO LONE BURAKUMIN LOWER HOUSE MEMBER MATSUMOTO FOR GRADUAL IMPROVEMENT OF LOT. BUT MANY FEAR GROWING "BURAKUMIN PRIDE" MAY BE ONLY TEMPORARY PANACEA, WHICH IN WORDS OF ONE OUTCAST DENIED JOB BY DISCRIMINATION AFTER GRADUATING FROM TOKYO U. "WILL DO PRECIOUS LITTLE GOOD IF THE REST OF JAPANESE SOCIETY CONTINUES TO SLAM DOORS IN YOUR FACE AND HIDES ITS OFFSPRING, AND THEN AFTER ALL THAT, STILL REFUSES TO ADMIT THAT YOU EXIST."

4. PHILIPPINES

IFC IS MAKING 7 MILLION DOLLAR LOAN TO NEW PHILS ENTERPRISE FOR PRODUCTION OF NYLON FILAMENT (JOC).

5. SINGAPORE

MORGAN GUARANTY IS SEEKING NY STATE, FEDERAL AND SINGAPORE APPROVAL TO OPEN SINGAPORE BRANCH OFFICE WHICH WOULD PROVIDE BROAD RANGE OF COMMERCIAL BANKING SERVICES TO CLIENTS WITH BUSINESS RELATIONSHIPS IN SEA (JOC).

6. AUSTRALIA

ANZ BANK SAYS IT IS "POSSIBLE TO GLEAN ENCOURAGEMENT" AS AUSSIE ECONOMY ENTERS 1975 DESPITE RISING UNEMPLOYMENT AND CONTINUING INFLATION. BANK BELIEVES RECENT GOA STIMULATORY FISCAL MEASURES SHOULD HELP RESTORE CONFIDENCE AND INCREASE DEMAND, AND THAT BOP SHOULD IMPROVE IN 1975. ADDS THAT EXPANSION IN MINING IS

EXPECTED TO BE BRIGHT FEATURE IN AUSSIE ECON PERFORMANCE
IN NEW YEAR (JOC FROM SYDNEY).

7. GENERAL

ASST AGRIC SECY YEUTTER AND FAS ADMINISTRATOR HUME
WILL VISIT EA JAN. 12-25, ACCORDING USDA. PURPOSE IS
TO REVIEW GROWING DEMAND FOR US AGRICULTURAL PRODUCTS
AND REVIEW PERTINENT EMBASSY OPERATIONS. STOPS WILL
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BE SEOUL JAN. 14-16, TAIPEI JAN. 16-18, MANILA JAN. 18-21
AND TOKYO JAN. 21-25 (CNS, JOC).

COMMENT AND ANALYSIS

8. CHINA

CSM'S MURARKA, IN MOSCOW, REPORTS SAVAGE ATTACK ON
SINO-US DETENTE BY B.N. ZANEGIN IN QUARTERLY,
"PROBLEMS OF THE FAR EAST." ZANEGIN BITTERLY COMPLAINS
THAT US IS BENDING OVER BACKWARD TO ACCOMMODATE
PEKING'S BIG-POWER AMBITIONS. ZANEGIN NOT LONG AGO
MADE TRIP TO US TO DISCUSS CHINA WITH US OFFICIALS AND
SCHOLARS.

MURARKA SAYS "SIGNIFICANT ARTICLE" INDICATES SOVIET
IS NOW BEGINNING TO DRAW APPROPRIATE CONCLUSIONS
ABOUT SINO-US DETENTE, HAVING IN MEANTIME TASTED FRUIT
OF SOVIET-US RAPPROCHEMENT AS WELL. AS FOR MOTIVES,
ZANEGIN SUGGESTS US HOPES FOR INDEFINITE PROLONGATION
OF SINO-SOVIET CONFLICT.

AS EXAMPLE OF HOW US AND PRC ACCOMMODATE EACH OTHER
ON MAJOR ISSUES, ZANEGIN CITES CASES OF PARACELS
AND DIEGO GARCIA, AND SEES SOME GIVE-AND-TAKE THERE:
IN CASE OF FORMER, US RESPONDED WITH "SILENT NONINTER-
VENTION" TO CHINESE OCCUPATION, WHILE US DECISION TO
CONSTRUCT DIEGO GARCIA BASE WAS TAKEN WITH "ACTUAL
BLESSINGS" OF PRC LEADERS. ZANEGIN ALSO SEES US SWAYED
BY CHINA ON SOVIET PROPOSAL FOR ASIAN COLLECTIVE
SECURITY. HE WARNS OF GEOPOLITICAL MANIPULATIONS OF THE
INTERNATIONAL ORDER AND POSSIBILITY THAT US AND PRC
MAY FIND THEMSELVES IN CONFLICT OVER THEIR FUNDAMENTALLY
DIFFERENT APPROACH TO FINAL SETTLEMENT OF INDOCHINA
CONFLICT; HE SUGGESTS PEKING MAY JUST AS EASILY SWITCH
AGAIN TO NONCOOPERATION WITH US ON SUCH QUESTIONS.

ZANEGIN ALSO BELIEVES TAIWAN WILL FADE OUT AS REAL
ISSUE BECAUSE CHINESE HAVE CONCLUDED THAT EVEN WITHOUT
ANY ACTION, IN TIME TAIWAN WILL BECOME PART OF MAINLAND.
HE ADDS THAT US, ON ITS PART, WILL CONTINUE SUPPORTING

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CHINA AS "WEAK SIDE" SO LONG AS CHINESE ASPIRATIONS DO NOT THREATEN DIRECT US INTERESTS. HE ALSO NOTES THAT TO CERTAIN EXTENT SOVIET-US DETENTE ACTS AS CONSTRAINT UPON FURTHER EXPANSION OF SINO-US AXIS. HE POINTS OUT THAT US-USSR COOPERATION DURING OCTOBER ME WAR DID NOT SIT WELL IN PEKING AND SOMEWHAT SOURED SINO-US RELATIONS -- IN OTHER WORDS, SO LONG AS SOVIETS CAN MAINTAIN SPECIAL BILATERAL RELATIONSHIP WITH US, MOSCOW WILL ACCOMMODATE SINO-US DETENTE.

MURARKA OBSERVES THAT THIS SEEMS FINAL VERDICT BREZHNEV PROMISED MORE THAN TWO YEARS AGO ON US-PRC DETENTE. SOLE "SLIGHTLY WORRYING FACTOR" SEEMS TO BE THAT, ACCORDING TO ZANEGIN, PEKING HAS ACTIVIZED SUPPORTERS AMONG CHINESE IN US, ESPECIALLY IN CITIES LIKE NY, SAN FRANCISCO, AND CHICAGO. ZANEGIN CONTENDS CHINESE PROPAGANDA CENTERS ARE BEGINNING TO FUNCTION IN LOCAL CHINATOWNS, AND THAT FORMER ROC ADHERENTS ARE SWITCHING SUPPORT TO PEKING. ZANEGIN SUGGESTS AMERICANS ARE BEGINNING TO WORRY A LITTLE ABOUT ANTI-SOVIET ACTIVITY OF SUCH GROUPS.

WP'S GREENWAY IN HK NOTES PEOPLE'S DAILY, RED FLAG AND LIBERATION ARMY DAILY STRESSING CHINA'S ECONOMY AND NEED TO PROMOTE PRODUCTION IN NEW YEAR'S DAY MESSAGE EMPHASIZING NEED TO "CONSOLIDATE THE SOCIALIST ECONOMIC BASE, ACHIEVE GREATER, FASTER, BETTER AND MORE ECONOMIC RESULTS IN DEVELOPING ECONOMIC CONSTRUCTION." EDIT CALLED ON PEOPLE TO "BROADEN, DEEPEN AND PERSEVERE; IN ANTI-LIN, ANTI-CONFUCIUS MOVEMENT BUT EMPHASIS WAS MORE ON WHAT MOVEMENT HAD ALREADY ACHIEVED THAN ON ANY NEW CALLS FOR MASS AGITATION.

GREENWAY RECALLS THAT HALFWAY THROUGH 1974, THE MASS CAMPAIGN WAS SHARPLY CURTAILED, AND CALLS FOR MASS AGITATION WERE REPLACED BY SLOGAN: "GRASP THE REVOLUTION AND PROMOTE PRODUCTION." MANY CHINA-WATCHERS BELIEVE THAT REASON FOR SWITCH WAS THAT THE MOVEMENT WAS BEGINNING TO HURT ECONOMY. AS IN LAST YEAR'S NEW YEAR MESSAGE, PEOPLE ARE WARNED AGAINST THE "HANDFUL OF COUNTER-REVOLUTIONARIES" WHO SEEK TO SABOTAGE CHINA'S REVOLUTION.

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IN FOREIGN AFFAIRS, AS WAS CASE LAST YEAR, EMPHASIS WAS ON EMERGING THIRD WORLD "IN THE REVOLUTIONARY STRUGGLE AGAINST THE TWO HEGEMONIC POWERS" - USSR AND US.

UNLIKE LAST YEAR'S EDIT, HOWEVER, THERE IS NO CALL TO "GREET THE FOURTH NATIONAL PEOPLE'S CONGRESS" IN THE NEW YEAR; LONG-POSTPONED NPC WAS NOT MENTIONED.

UPI HK (JOC) ALSO FEATURES PRC NEW YEAR'S MESSAGE, BUT SAYS MESSAGE SHOWED THAT CHINA STILL IS TROUBLED BY POLITICAL PROBLEMS AND SHARPLY DIVIDED ON KEY ISSUES. UPI'S FOCUS OF ATTENTION ON MESSAGE IS SIMILAR TO GREENWAY'S, BUT UPI ALSO CITES JOINT EDITORIAL COMMENT THAT IARTY MUST EXERT COMPLETE AUTHORITY OVER THE MIL AND ALL OTHER MASS ORGANIZATIONS.

GLOBE AND MAIL'S JOHN BURNS (WP) IN PEKING REPORTS CHINESE ARCHEOLOGISTS IN PARACELS UNEARTHING RELICS SUPPORTING PEKING'S CLAIM THAT CHINESE HAVE BEEN ACTIVE ON ISLANDS FOR CENTURIES. CITES KWANGMING DAILY, DEVOTING HALF ITS BACK PAGE TO AN ACCOUNT OF DIGGINGS THAT HAVE TURNED UP OBJECTS DATING AS FAR BACK AS TANG DYNASTY.

BURNS NOTES THAT SINCE PRC-GVN DISPUTE OVER ISLANDS CAME TO HEAD AT BEGINNING OF 1974, PRC PRESS HAS CARRIED NUMEROUS ARTICLES ON DEVELOPMENT WORK ON ISLANDS. MIL INSTALLATIONS HAVE BEEN EXPANDED, FISHING INDUSTRY MODERNIZED WITH CONSTRUCTION OF NEW HARBORS, WHARVES AND BREAKWATERS, AND MODERN BUILDINGS CONSTRUCTED TO ACCOMMODATE INFLUX OF SETTLERS AND ADMIN PERSONNEL. MONTHS AGO, NEWSPAPERS REPORTED THAT STONE TABLET RECORDING VISIT OF INSPECTION TEAM IN LATTER PART OF 19TH CENTURY HAD BEEN DISCOVERED. BUT LATEST ARTICLE WAS FIRST INDICATION OF SCALE OF ARCHEOLOGICAL WORK THERE.

BURNS CONTRASTS EFFORT TO CITE HISTORICAL PROOF OF CHINESE PRESENCE ON PARACELS WITH SITUATION ON SPRATLYS. UNCLASSIFIED

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AFTER DRIVING S VIET DETACHMENT FROM PARACEL ISLAND, PEKING DECLARED IT WOULD NOT TOLERATE ENCROACHMENT THERE, BUT HAS DONE NOTHING TO CHALLENGE GRC AND SVN MIL PRESENCE ON AND NEAR SPRATLYS. THINKS THIS IS BECAUSE SPRATLYS ARE BEYOND RANGE OF CHINESE AIR COVER.

IN LETTER TO NYT EDITOR, ANNE KEATLEY, STAFF DIRECTOR OF COMMITTEE ON SCHOLARLY COMMUNICATION WITH PRC, REFERS TO JEROME COHEN'S DEC 18 ARTICLE MENTIONING RECENT PROBLEMS WITH ACADEMIC EXCHANGES. SHE AGREES WITH COHEN THAT US AND CHINESE PARTICIPATING IN EXCHANGES SHOULD ADHERE TO "PRINCIPLES OF EQUALITY AND MUTUAL BENEFIT" AS ENUNCIATED IN SHANGHAI COMMUNIQUE. BUT COHEN'S DESCRIPTION OF "REALITY" OF EXCHANGES MAY HAVE GIVEN MORE NEGATIVE IMPRESSION THAN FACTS WARRANT.

KEATLY NOTES THAT SINCE SCHOLARS BEGAN TRAVELING TO PRC IN 1971, CHINA HAS BEEN BESEIGED WITH REQUESTS FOR VISITS FROM THOUSANDS OF ACADEMICS, MAJORITY OF WHOM AVE NO FACILITY IN CHINESE LANGUAGE, AND PERHAPS WITHOUT REALIZING BURDEN IMPOSED, EXPECT HOSTS TO PROVIDE GUIDES AND INTERPRETERS. EIGHT HUNDRED OR SO SCHOLARS WHO HAVE VISITED CHINA REPRESENTED MANY AREAS OF EXPERTISE AND POLITICAL INCLINATIONS. MOST VISITORS OF CHINESE ORIGIN TRAVEL FREELY, WITHOUT ESCORTS, AROUND CITIES ON APPROVED ITINERARY. NON-CHINESE VISITORS ARE

ESCORTED ON CAREFULLY PLANNED PROGRAMS, BUT ALLOWED TO WANDER UNRESTRICTED DURING FREE HOURS. PROGRAMS FOR SCHOLARS HAVE BECOME PROGRESSIVELY SUBSTANTIVE. CSCPRC HAS SENT NINE US ACADEMIC DELEGATIONS TO CHINA. PEER NOMINATING GROUPS CHOOSE THE MEMBERS, AND CHINESE HOSTS ONLY ONCE QUESTIONED SELECTION; THIS WAS CASE OF MOTE. WHEN CHINESE WERE ASKED TO RECONSIDER, THEY DID SO IN MATTER OF DAYS.

EXPERIENCES OF YALE AND HARVARD GROUPS ARE DISAPPOINTING, BUT MANY SELF-SELECTED DELEGATIONS FROM UNIVERSITIES, PROFESSIONAL SOCIETIES AND OTHER ACADEMIC ORGANIZATIONS HAVE VISITED CHINA. FURTHERMORE, AMERICAN SOCIAL SCIENTISTS AND CHINA SCHOLARS HAVE HAD BETTER LUCK
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IN GETTING TO CHINA THAN HAVE THEIR WE COLLEAGUES.

KEATLEY CONCLUDES THAT ALTHOUGH THERE HAVE BEEN PROBLEMS IN ACADEMIC EXCHANGES, THERE HAS BEEN CONSIDERABLE PROGRESS. IMPORTANCE OF US-PRC RELATIONSHIP AND ITS COMPLEXITIES REQUIRE THAT THOSE INVOLVED IN EXCHANGES NEITHER JEOPARDIZE THE INTEGRITY OF US SCHOLARS AND ACADEMIC INSTITUTIONS NOR IGNORE THE PRIORITIES AND CONSTRAINTS AFFECTING CHINESE EXCHANGE POLICIES.

S-N'S BRADSHER, IN HK, REPORTS PEKING HAS RECENTLY BEEN MAKING CLEAR SHE EXPECTS US TO BREAK ALL COMMITMENTS TO ROC AS PRICE OF CONVERTING PRESENT ARRANGEMENT OF LIAISON OFFICES INTO FULL EMBASSIES; BUT SAYS SOME OBSERVERS ARE WONDERING WHETHER HAK REALLY WANTS FULL DIPLOMATIC RELATIONS WITH CHINA. CONTENTS USLO HAS BEEN USED BY HAK AS "PRIVATE CONNECTION, JEALOUSLY GUARDED FROM FULL INVOLVEMENT" IN REGULAR DOS MACHINERY. BY KEEPING TOP-RANKING MAN AS ITS HEAD, HAK HAS ENCOURAGED CHINA TO KEEP IN WASHINGTON ITS MOST SENIOR AND POLITICALLY HIGHEST-RANKING DIPLOMAT, THUS PROVIDING SECRETARY WITH KIND OF PERSONAL CONTACT HE HAS SIMILARLY HAD WITH DOBRYNIN.

SAYS SITUATION HAS SUGGESTED TO SOME OBSERVERS THAT HAK PREFERS TO KEEP SINO-US RELATIONS ON SPECIAL, PERSONALLY-CONTROLLED BASIS OUTSIDE NORMAL DOS CHANNELS. HIS APPARENT ATTITUDE COINCIDES WITH DOMESTIC POLITICAL PRESSURES AND CONCERN ABOUT ALLIES' REACTIONS WHICH WOULD MAKE IT DIFFICULT FOR US TO DROP TAIWAN.

TO BRADSHER, "COOLNESS" WITH WHICH PRC RECEIVED HAK IN NOV. SEEMED TO REFLECT UNHAPPINESS OVER SITUATION. PEKING VIEWED LIAISON OFFICES AS INTERIM STEPS TOWARD

EMBASSIES, WITH PRCLO TO BE OFFICIALLY OPENED ONLY UPON CLOSING OF PRESENT ROC EMBASSY IN WASHINGTON. SAYS PEKING'S PRESENT CAMPAIGN OF MAKING ITS DISPLEASURE KNOWN MIGHT BE BEGINNING OF CALCULATED SHOWDOWN, AND SHE MIGHT NOW BE SERVING NOTICE THAT SITUATION CANNOT UNCLASSIFIED

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CONTINUE INDEFINITELY, THAT RELATIONS MUST MOVE FORWARD OR DETERIORATE. CHINA PRESUMABLY IS AWARE HAK HAS EXPRESSED VIEW THAT US HAS VIRTUALLY EVERYTHING IT NEEDS IN DIPLOMATIC TIES FROM LIAISON OFFICES AND TRADE RELATIONS; "THIS COULD IRRITATE PEKING," SINCE SHE DOES

NOT HAVE WHAT SHE WANTS.

MANSFIELD IS ONE ELEMENT IN CHINESE CAMPAIGN. SENATOR REPORTEDLY GOT EARFUL OF CHINESE DISPLEASURE WITH PRESENT SITUATION. (NOTES MANSFIELD'S VOLUNTEERING THAT CHOU LOOKED WELL -- MAKING PREMIER'S LONG HOSPITALIZATION "ALL THE MORE CURIOUS"). SAYS IMPLICATION THAT CHINESE MIGHT BE TELLING MANSFIELD THINGS THEY DO NOT TELL HAK, OR THAT THEY FEAR HAK IS IMPROPERLY UNDERSTANDING OR IGNORING, RAISES QUESTIONS ABOUT HAK'S PERSONAL CONNECTION. SUGGESTS THAT SINCE SECRETARY "HAS FAILED TO DELIVER" WHAT CHINESE WANT, THEY MIGHT REGARD HIM AS MORE EXPENDABLE IN SINO-US RELATIONS THAN HAK WOULD EVER CONSIDER HIMSELF TO BE.

BRADSHER RECALLS THAT WHILE IN PEKING, BRUCE HAD OPERATED MORE AS PERSONAL REP OF PRES THAN HEAD OF DIPLOMATIC MISSION; ADDS THAT UNTIL JENKINS RESIGNED, THERE WAS CONSIDERABLE TENSION BETWEEN HIM AND HOLDRIDGE. CONTENTS JENKINS SEEMED REPRESENT REGULAR DIPLOMATIC INTERESTS OF OTHER MEMBERS OF SMALL USLO STAFF AS THEY SEARCHED FOR INFO AND UNDERSTANDING, WHILE HOLDRIDGE "PLAYED KISSINGER'S CLOSE-TO-THE-CHEST (NSC) GAME." BRADSHER ADDS THAT BUSH'S APPOINTMENT EMPHASIZED PERSONAL NATURE OF POST, AND SEEMED TO OBSERVERS ALSO INTENDED

TO INSURE THAT PRC KEPT HUANG CHEN IN WASHINGTON.
SAYS USLO HAS BOTH REGULAR DOS COMMUNICATIONS AND
ADDITIONAL EXTRA-CODED COMMUNICATIONS SYSTEM FOR
HEAD MAN. "THIS GAVE BRUCE AND GIVES BUSH A CHANNEL
TO KISSINGER AND THE PRESIDENT SEARATE FROM NORMAL
DIPLOMATIC TRAFFIC." SEES ARRANGEMENT AS CONSISTENT
WITH HAK'S "OFT-DEMONSTRATED LIKING FOR HANDLING
MATTERS IN SECRECY" FROM REGULAR FS MACHINERY, "WHICH
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HE TENDS TO DISTRUST."

ACCORDING TO BRADSHER, ON NUMBER OF OCCASIONS BRUCE
HAD LONG TALKS WITH CHOU OR OTHER SENIOR PRC OFFICIALS

WITHOUT HIS STAFF'S KNOWING EVEN SUBJECTS DISCUSSED.
ADDS THAT WHILE JUNIOR OFFICERS IN ANY EMBASSY CANNOT
BE EXPECTED TO BE FILLED IN ON SECRET MATTERS, DEGREE
OF ISOLATION BETWEEN BRUCE'S ACTIVITIES AND HIS STAFF'S
ATTEMPTS AT NORMAL DIPLOMATIC WORK WAS UNUSUAL.

9. GENERAL

GLOBE'S STORIN IN TOKYO NOTES THAT 1974 WAS YEAR OF
CONTINUED INTERNAL STRUGGLE AGAINST VARYING DEGREES
OF DICTATORSHIP IN SK, PHILS AND SVN. LEADERS OF
THOSE COUNTRIES TOOK STEPS TO EASE CRITICISM; DIPLOMATS
ATTRIBUTE SOME RELAXATION TO AN INCREASINGLY CRITICAL
US CONGRESS. THERE HAVE BEEN SUBSTANTIAL EFFORTS TO
CUT US AID TO SK AND SVN AND DIPLOMATS IN MANILA REASON
THAT MARCOS FEARS THEY MAY BEGIN LOOKING AT THE PHILS.
HOWEVER, TO DATE RELAXATION HAVE BEEN MINIMAL.

STORIN ASSERTS THAT SEOUL, MANILA AND SAIGON DISPLAYED
AN INCREASINGLY RARE COMMODITY IN 1974 - GOVT STABILITY.
IN US EMBASSIES IN THESE NATIONS STABILITY CONTINUES
TO ENJOY HIGH VALUE, BUT IN 1974 US CONGRESS TOOK
A HARDER LOOK AT WHETHER COST IN HUMAN FREEDOMS
WAS WORTH CONTINUED FINANCIAL SUPPORT. INGERSOLL

NOTE BY OC/T: POUCHED BUDAPEST.

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